

(225) 342-1418

May 8, 2006

REQUEST FOR PROPOSALS

An Examination into the Affects of ENO Bankruptcy on Entergy Gulf States and Entergy Louisiana, L.L.C.

Pursuant to the provisions of the Louisiana Public Service Commission=s (“Commission” or “LPSC”) General Order dated August 4, 2004, regarding the selection of contract employees to represent the Commission, General Counsel, on behalf of the Commission, is seeking proposals from independent technical consultants to assist the Commission in-house Staff in performing an analysis and formulating a plan to protect LPSC jurisdictional rate-payers from any and all adverse affects of the bankruptcy proceeding filed by Entergy New Orleans (“ENO”) due to the costs incurred as a result of Hurricanes Katrina and Rita which made landfall in Louisiana in late summer and early fall of 2005.

This analysis should focus on establishing safeguards to ensure that there is no adverse affect of the ENO bankruptcy on the rates of Entergy Louisiana, L.L.C. (“ELL”) or Entergy Gulf States, Inc. (“EGSI”) (sometimes jointly referred to herein as the “Companies”), including avoiding that any costs of such bankruptcy are passed on to ratepayers either through the Companies’ fuel clauses or their Formula Rate Plans (“FRP”). The evaluation should include, but not be limited to, affects on the cost of capital of ELL and EGSI, the ability to pay an appropriate share of affiliate transaction costs, possible affiliate transaction violations, potential losses to the Entergy money pool, access to favorable power contracts, and changing System cost allocations.

Applicants should be prepared to participate in conferences with the Companies and their legal counsel and/or consultants, attend meetings with Commissioners and their staff, represent the Commission in conducting a full investigation including reviewing testimony submitted by the Companies; conducting discovery; preparing and defending direct and cross-answering testimony; assisting with the preparation of post-hearing briefs, and appearances before the full Commission.

1. Minimum Requirements:

To be considered, all applicants must meet the following minimum requirements *in addition to those provided in* this Commission's General Order dated August 4, 2004. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility regulation, and similar practice before other regulatory agencies or public utility commissions.

Applicant/consultants shall be qualified and prepared to prepare and render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in this proceeding. Applicants shall, at a minimum, be experienced in analyzing the operations, books and records of utility companies for the purpose of setting just and reasonable rates, and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) appropriate accounting standards and practices for electric utilities;
- (2) standards for prudence and cost recoverability;
- (3) utility depreciation and taxation issues;
- (4) LPSC and FERC approved cost of service methodologies for electric utilities;
- (5) the basic components and requirements of the ELL and EGSI FRPs or similar knowledge of other FRPs;
- (6) the ratemaking process and revenue requirements of ELL and EGSI or of a utility company of similar complexity such as one that participates in a system agreement or system-wide sharing of costs and savings;
- (7) what costs passed through the fuel clauses are appropriate and eligible for recovery and whether they produced just and reasonable rates;
- (8) the cost allocation methodologies for allocation of investment and expenses among affiliates, including the relationship of the holding company to its subsidiary operating companies, the transfer of costs among operating companies and the provision of services among affiliates; and
- (9) More than a basic understanding of bankruptcy costs, dischargeable debt, disallowances, preference and other issues.

2. Estimate of Costs

All applicants responding to the Request for Proposal shall quote their rates on an hourly basis and shall also submit an estimated total budget, which shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of

work performed and costs incurred. Once selected, an applicant=s rates and budget shall not be altered except by formal approval of the Commission.

3. Conflict of Interest

Previous or current employment which could result in a conflict of interest shall be prominently and separately disclosed.

4. Billing Guidelines

As required by the August 4, 2004 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

5. Reservation of Rights

The Commission reserves the right to reject any and all proposals, to amend or supplement this proposal at any time and to consider proposals or modifications thereof received at any time prior to the Commission vote at Open Session. Pursuant to the General Order, regarding the selection of contract employees, the Commission has the right to accept other than the lowest bid price. In addition, there is no assurance, express or implied, that an award will be made pursuant to this RFP.

6. Submission of Proposals

Interested parties should submit proposals to:

Louisiana Public Service Commission

Office of the General Counsel

In re: Affects of ENO Bankruptcy on Entergy Gulf States and Entergy Louisiana, Inc.

P.O. Box 91154

Baton Rouge, Louisiana 70821-9154

To be considered, proposals must be received on or before **May 19, 2006**. Due to the short response time, Proposals shall be deemed timely if a facsimile or email version is received by the deadline and the original and five copies arrive by mail no later than May 22, 2006.

Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-1418.